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| ROM | | DATE 18 OCT 1958 | |
| OBJECT <u>Chief, SR via Chief, WE</u> <u>REDWOOD/LCIMPROVE/AECOB</u> <u>Review of AECOB Operations</u> | | RE: "43-3" — (CHECK "X" ONE) | |
| ITION REQUIRED | | <input checked="" type="checkbox"/> MARKED FOR INDEXING | <input type="checkbox"/> XXX NO INDEXING REQUIRED |
| REFERENCE(S) | | INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY | |
| None, For Information Only | | | |

1. The attached paper was written in July 1958 for purposes of assisting the Headquarters case officers in assessing the operational conditions which existed at the time that TILBURY-2's daughter and son-in-law repatriated to Latvia. Although the conditions which dictated the writing of the paper have since passed, it is felt that [] would be interested in having a copy. The information IN the attachment was culled from files available to Headquarters as well as from some of the case officers who at one time or another were involved in these operations.

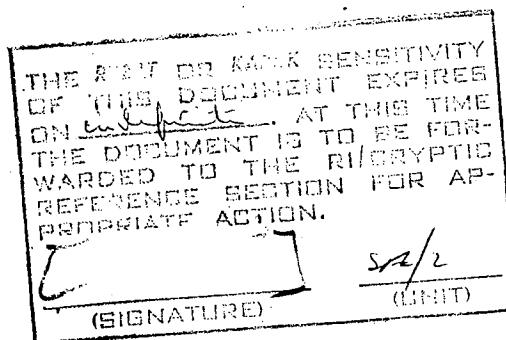
2. We intend to follow this with resumes of the AERONAUT traffic in these cases.

3 September 1958

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Page 1

Repatriation of daughter of TILBURY 2 and resultant operational repercussions.

1. This paper is written in an effort to assess certain operational conditions which could have adverse effect on the AECOB operation, relationship with the TIEBARS, and U.S. government relations with the Swedish government. To accomplish this assessment, it is considered necessary to set down the bare bones of KUBARK involvement with the various principals engaged in Latvian operations. The ultimate purpose of this paper is to provide historical background information to use as a basis for deciding future action. There are, of necessity, some gaps, apparent inconsistencies, and unsupported conclusions in this brief. The history of KUBARK involvement in operations run into Latvia is too complicated to lend itself to the limited analysis possible within the scope of this brief.

A principal factor contributing to the present situation and the one which provoked this analysis is the repatriation of TILBURY 2's daughter to the USSR, together with her husband. She knows of our relationship with her father and may also be aware of several operations we are conducting. She has also worked for the TIPSTAFFS as a translator. Another aspect to be considered is the fact that TILBURY 1 has implied in letters to his mother in Sweden that he is going to try to come out from Latvia this summer. Since he is being run by both the TIEBARS and KUBARK independently there is a possibility that he might tell the Swedes of our relationship with him. TILBURY 2 presents a problem in that the Soviets now have a handle on him through his daughter and the possibility exists that the Soviets will try to exploit this situation. In addition there is a possibility that the Swedes will find out about AECOB/7's independent commo channel to us and the fact that we are in contact with him. Another point to be considered is that a number of KUBARK personnel are known to the principals involved. Attachment A is a diagram of the connections of the people involved, excluding KUBARK personnel.

2. Brief History of the Principals

A. TILBURY-2: As early as 1943 TILBURY-2 was in contact with the TIEBARS. This cooperation took place during the German occupation of Latvia while TILBURY-2 was still inside. Method of this contact is unknown. In the fall of 1944 he escaped to Sweden and continued his resistance work for the Swedes.

It is believed that KUBARK first came in contact with TILBURY-2 sometime before 1950, through TIBABEL-5 an Estonian refugee P/A, working then for the Swedes. Our dealings with T-2 at that time were primarily to support his operations through financial subsidy. TILBURY 2 acted as a Swedish P/A for TIEBAR Latvian operations. The Swedish case officer would meet with TILBURY-2, often together with TIBABEL 5 and TILESTONE (The TIEBAR Lithuanian P/A) and give them money and instructions. This support was never enough and upon TILESTONE's request, we started furnishing

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additional support, at times through the TIEBARS, but more often unbeknownst to that service. About this same time SMOH started its own subsidy of Swedish mounted operations.

In 1946 TILESTONE requested KUBARK and SMOH help to run REDSOX type Baltic operations. SMOH and KUBARK both agreed independently to furnish money and equipment unbeknownst to the TIEBARS. At that time TILESTONE was a principal in guiding Lithuanian operations, TILBURY-2 was running Latvian operations, and TIBABEL 5 was running Estonian operations. Each one of these people knew from whom the aid was coming and they all knew the other individuals involved who were also receiving aid, as well as the identities of the various agents dispatched.

In October 1948 the TILESTONE/ABLE operation took place. In preparation for the TILESTONE/BAKER operation the following year, the TIEBARS together with TILBURY 2 trained TILESTONE, AECOB-7, AECAMERO-1, two Estonians and two Lithuanians to reinfiltrate. AECAMERO-1 did not take part in the operation, nor did one of the Lithuanians, Albertus PERSECKAS, who was later discovered to have been an RIS plant after he escaped from Sweden to the USSR. Both dropped out during the training period. PERSECKAS is known to have returned to the USSR before the scheduled dispatch of TILESTONE/BAKER. In spite of the TIEBAR discovery of an RIS agent in the operation, the boat dispatch took place as scheduled in April 1949 as a joint TIEBAR/SMOH effort. At that time KUBARK interest in TILESTONE was that of a penetration of the TIEBAR operations and KUBARK did not attempt to influence operational decisions. The two Estonian agents were surfaced by the RIS as part of the TIBABEL/5 Ogenek articles in the spring 1957. Before his dispatch, TILESTONE had been recruited by the TIEBARS, SMOH and KUBARK, all independent of each other, and given a separate commo channel by SMOH. From evidence available to ourselves and to SMOH, we draw the conclusion that TILESTONE was controlled by the RIS, at least since sometime shortly after the TILESTONE/BAKER dispatch. Actual date of TILESTONE control is not certain and could date back as far as 1946 when he had a rat line to Lithuania via Poland. Between the fall of 1945 and the spring of 1946, TILESTONE had made three trips to Lithuania via Poland. The TIREBOME project, dated 1952 (a joint ME/GR effort), contains the statement that "sometimes after the dispatch of TILESTONE/BAKER, W/T and S/W traffic indicated suspicion of Soviet control".

After the TILESTONE/BAKER dispatch, personal contact between KUBARK and TILBURY-2 was very loose. Regular communication to and from him was through TIBABEL-5. From time to time personal meetings were held. Our contact with him was and is kept from the Swedes. We furnished some support to his Latvian operations and paid him an average of \$40 to \$50 monthly. In return for this he gave us reports of his debriefings of defectors, reports on the operations he was running for the TIEBARS, copies of Swedish W/T traffic to and from the TIEBAR agents inside, (particularly AECOB-7 - Station Vladimar), name traces, copies of his overt research, and reports on his meetings held with the TIEBARS. There was and is no real KUBARK control of TILBURY-2. TILESTONE worked for the TIEBARS, SMOH and KUBARK at the same time and we believe that TILBURY-2 at least has had contact with SMOH over the years.

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The following is a resume of TILBURY-2's knowledge of KUBARK activities in Sweden, which activities were carried on without the knowledge of the TIEBARS (The degree of knowlegability in each case will vary.

- A. Relationship of TIBABEL 5 to KUBARK.
- B. KUBARK relationship to TIRRALIRA (TILESTONE's successor) and TIDYTIPS (TIRRALIRA's successor).
- C. KUBARK relation to TILESTONE.
- D. KUBARK support of TILESTONE/ABLE, BAKER, and CHARLIE operations.
- E. KUBARK support of TIBABEL/ABLE and BAKER operations.
- F. KUBARK support of the recruitment of Latvian candidates for the TIBABEL-5/CHARLIE operations.
- G. KUBARK interest in the AEBRAY 6 operation which was scheduled to take place at the time of the TIBABEL 1 operation. (This operation was never mounted).
- H. KUBARK recruitment of TIBABEL-1.

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- I. KUBARK recruitment of TILBURY-1.

J. TILBURY-2 has met [] and [] He might be aware of the identity or [] through his contact with TIBABEL-5.

The latest assessment of T/2 by his [] expresses doubts of TILBURY 2's reliability. The C/O further says that should the Soviets expose the TIEBAR assets in Latvia, it is the [] judgement that TILBURY-2 might admit to his independent contacts with AIS.

B. TILBURY-1: During the German occupation of Latvia, and during the Soviet reoccupation, AECAMBERO-1, AECOB-7 and TILBURY-1 worked together in the Latvian underground. In 1945 AECAMBERO-1 escaped to Sweden. In 1948 AECOB-7 came to Sweden black and, as described above, was reinfiltrated in 1949. TILBURY-1 supposedly has been involved in Latvian underground activities since 1942. In 1955 he first came to Sweden black, as a courier for AECOB 7 to the TIEBARS and to get support from KUBARK via AECAMBERO-P.* The TIEBARS told the [] that TILBURY-1 had arrived in Sweden, and loaned KUBARK TILBURY-1's identity documents. The TIEBARS would not grant our request to debrief TILBURY-1 directly, but did inform us eventually of TILBURY-1's reinfiltration. TILBURY-1 made a second clandestine trip to Sweden in the fall of 1956. KUBARK learned first of this trip from TILBURY-1's mother in Gothenberg who wrote to AECAMBERO-1 in the United States that she had received this information from her son by letter. The TIEBARS never informed KUBARK

* In retrospect, it appears possible that T-1 could have been under RIS control as early as this trip.

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of TILBURY-1's second trip, although TILBURY-2 independently informed the [redacted] the day after his arrival. On his arrival in Sweden in Oct. 1956 TILBURY-1 sent AECOBARO-1 a letter from AECOB-7, which asked AECOBARO-1 if he was still active in clandestine activity. This letter was used to establish the bona fides of a Headquarters case officer [redacted] who met TILBURY-1 through TILBURY-2. This introduction was arranged by the [redacted] Headquarters request. After establishing TILBURY-1's bona fides [redacted] insofar as possible, [redacted] recruited TILBURY-1, who was trained in S/W by a KURIOT officer. This recruitment was supposedly accomplished unbeknownst to the TIEBARS and to TILBURY-2. TILBURY-1 was given a system for AECOB-7 for 2-way commo with KUBARK which was in heavy use in other operations. He was also given a system for his own use for two way commo with KUBARK which consisted of a carbon sheet for writing to us and developer tablets for our communications to him. Up to the present time there has been no evidence of compromise of these developer tablets through any other operations, in which they are in use. His documentation briefing and debriefing were done by another KURIOT officer. Neither KURIOT man was known to him by true name. In late November 1956, the TIEBARS put TILBURY-1 back into Latvia by boat. As soon as he arrived TILBURY-1's wife sent his mother a letter saying he had returned from a trip to another part of the USSR. Information which TILBURY-1 brought with him to Sweden has been evaluated by the Air Force as "of value". He also sent unsolicited civil defense information, which had been independently requested from AECOB-7. The last S/W message received from TILBURY-1 was unrecoverable. We have since sent him a message telling him of the repatriation of TILBURY-2's daughter and the resultant danger to him, of which he is probably aware through the local Latvian newspaper. We instructed him to make efforts to get out of Latvia.

C. "ALDONA" (TILBURY-2's daughter.). Subject is one of T-2's three daughters. In November 1956 she married. Her husband is known for his bohemian conduct, possible drug addiction or epilepsy, and his heavy drinking. There are conflicting opinions concerning Aldona's loyalties. Some sources say she was the most anxious of the two to repatriate, some said she went only to see the "icena" (sic), and one source has said she didn't want to go at all. It appears that Aldona was an active, if not wild teenager who was anxious to get married. Apparently she was and is in love with her husband since she put up with his drinking and sometimes strange actions. It appears possible that she might have gone only because she loved him and didn't want to be without him.

Aldona knew AECOB-7, T-1, and Janis KRUMS - Swedish REDSOX agent sent into Latvia in 1951 as part of the TIBABEL-5/BAKER operation. Stockholm has informed us that she was known to have worked for the TIPSTAFFS as interpreter-secretary and that she was probably aware of the TILBURY-2/TIEBAR status, and possibly had some information on TIEBAR Latvian operations. AEMARSH 15 (an unevaluated FCB source) claims that she translated TILBURY-2 debriefings of Latvian escapees and is aware of which ones were considered bona-fide. During T-1's stay in Stockholm, he lived in TILBURY-2's home and was in close contact with the entire family. T-1 complained at one point to [redacted] of TILBURY-2's lack of security since the family was aware of his identity, his escape from Latvia, and his scheduled return. T-1 also told [redacted] that Aldona was aware that he was having clandestine contacts with an unidentified American for unspecified purposes during his stay in Stockholm.

* At this time TILBURY-1 was warned to beware of AECOB-7 since we suspected AECOB-7 of being under RIS control.

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She and her husband repatriated to Latvia on 22 March 1956. According to two sources, her husband was promised a two-room apartment and a stipend plus a job conducting a radio orchestra by the Soviet repatriation officer.

D. AECOB-7: AECOB-7 exfiltrated to Sweden in 1948 on the orders of Osvalds BILSKALNS an alleged leader of Latvian resistance. BILSKALNS has recently been identified to us through a British interrogation of AEMARSH 5 (a Latvian repatriate to West Germany) as probably being in the employ of the RIS. AECOB-7 was to seek aid to the West, preferably from the Americans, for the support of the "resistance group" in Latvia.

While AECOB-7 and AECAMBARGO-1 were in training in Sweden in 1948, they devised a plan whereby AECAMBARGO-1 could independently contact AECOB-7 through the brothers of AECOB-7 in Latvia. In late 1949 SMOTH asked AECAMBARGO-1 to help them establish contact with AECOB-7. In order to accomplish this, AECAMBARGO-1 wrote to TILBURY-1 to establish bona fides, and with this help the SMOTH agents were able to locate both TILBURY-1 and AECOB-7. When the agents later exfiltrated, the SMOTH agents told A-1 of the contact with T-1. However, in the fall of 1956, TILBURY-1 in conversation with [] denied ever having had contact with the SMOTH agent.

In 1952 KUBARK recruited AECAMBARGO-1 in Sweden under project SALINCH. This operation was run out of Munich for the expressed purpose of obtaining the use of AECAMBARGO-1's private cipher system to AECOB-7, which would be used to support an infiltration of REDOK agents into Latvia. Three agents were trained by KUBARK in Germany and dispatched to Latvia (EBCAMMO). These agents came under RIS control at various times and were surfaced in November 1957.

In the fall of 1956, KUBARK transmitted a signal plan, crystal and S/W materials to AECOB-7 via TILBURY-1. Upon receipt of this support, AECOB-7 wrote to KUBARK indicating his willingness to work. Communications to him have been maintained since and the last S/W received from him was postmarked 3 June 1958. He has provided us with information which has been evaluated as valuable, and some of considerable value.

Since the appearance in the spring 1957 of the Ogonek articles surfacing TIEBAR Estenien assets, the TIEBARS have stopped all W/T traffic with their Baltic agents, including Valdemar (AECOB-7).

E. MOTHER OF TILBURY-1: TILBURY-1's mother has been in correspondence with AECAMBARGO-1 since he left Sweden in 1952. In 1955 she wrote him that her son was in Sweden and that he would possibly return again. AECAMBARGO-1 requested her to cable him when T-1 returned. This she did, and through her, Headquarters received its first information about T-1's second exfiltration.

Our main channel of commo to TILBURY-1 is S/W in letters mailed by the [] The overt text is written by T-1's mother, who sends the letters to AECAMBARGO-1. Headquarters applies the S/W and sends the letter to Stockholm for mailing. His S/W to us is sent to a letter drop in Germany. In addition to his S/W communication directly with AIS as described above, T-1 carries on an open code type of correspondence with his mother in Gothenburg,

* Although tried, this cipher system could not be activated.

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who sends the information to AECAMBARO-1. We receive the information from A-1. We are not certain if T-1 knows that his correspondence to his mother is monitored by AIS.

3. SECURITY OF TILBURY-2:

A. There are no indications, at least up till fairly recently (six months ago), that T-2 was not loyal to the Western cause.

B. At the present time the possibility of Soviet control over T-2 is a prime factor for consideration. The fact that the Soviets now have Aldona in their hands certainly can influence their thinking on T-2. His prominence in the emigre field as well as almost certain knowledge by the RIS of his intelligence activity for the Swedes if not for the AIS must be providing them with no end of golden opportunities which they are not prone to pass up. There appear to be at least two courses of action which they might follow. The first one would be to approach T-2 with the proposition that he became their penetration into the TIEBARS, the emigre field, the AIS or all of them. The second possibility is for an outright defection pitch to him requesting him to repatriate and implying that the daughter wishes him to do it and the possible consequences if he does not do it. The consequences could easily be that the Soviets would tell the world of his IS activity for the Swedes or for the AIB or for both.

C. With the daughter's repatriation we should assume that the Swedes themselves are considering the possible loss of T-2 services as well as the implications of the daughter being completely debriefed by the RIS. We should make the assumption that the TIEBARS will at the very least discuss the entire situation with TILBURY-2. Should they have any suspicions of him we must assume that they will look into his past thoroughly and possibly question him. How he stands up under questioning is a matter of conjecture. There is, however, a possibility that he won't stand up under it at all and would tell the TIEBARS everything, including his AIS affiliation.

D. Without a more thorough assessment of T-2 it is difficult to predict the possible harm he might do. His knowledge of AIS personnel, modus operandi, operations et al. is impressive. He is in a position to create serious embarrassment to us either with the Swedes, the Soviets or both.

4. POSSIBILITIES OF SOVIET ACTION:

A. Since the Soviets now are in a position to exercise control of TILBURY-2, they might consider him for either an outright defection pitch or recruitment as a penetration. In this latter case the possibility that the Soviets would exploit him for PP purposes seems to be diminished.

B. Based on information supplied by Aldona the Soviets might undertake a PP exploitation aimed at creating difficulties between the Swedes and the Americans. It appears that the Soviets will very carefully weigh the possibilities of which way they stand to gain more, through the PP exploitation or through working with TILBURY-2.

C. The Soviets might decide to conduct TILBURY-1 as a straight penetration of the AIS and let him come out. This they would only allow him to do if he were acting in a double agent capacity. If he were acting in the

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role of an unwitting agent, the chances are that they would not let him come out. If he is a true double agent, there is a possibility that they might let him come out since they did let him come out twice previously.

D. It appears that the status of Swedish-US and Swedish-Soviet relations will probably determine the course of action the Soviets will take.

E. It is believed that sooner or later the Soviets will exploit this situation for PP purposes. It appears that the timing would be good as of now (July 1958) since the AIS and the Swedes IS are both alert to the fact that the Soviets now know a good bit about all of our Baltic operations and will probably take AEGOB-7, and TILSBURY-1 into custody if they have not been cooperating all along.

F. It is very unlikely that the Soviets will surface AEGOB-7 and play TILSBURY-1 straight, since TILSBURY-1 was the connecting link to AEGOB-7.

5. CONCLUSION:

A. It must be assumed that the Soviets have known the AIS involvement in TIEBAR Baltic operations since at least 1952. Aldona's defection is only the most recent source the RIS has had on this activity. Therefore, the knowledge of TIEBAR/KUBARK Baltic operations that Aldona possesses should be considered primarily as "confirmation" to what the RIS already knows.

B. The interrelation between the TIEBAR Estonian, Latvian and Lithuanian REDSOK operations, and the dispatch of TILESTONE/BAKER after the successful escape to the USSR of an agent for this operation, gave the RIS sufficient leads back in 1949 to have controlled all TIEBAR assets within the Baltic areas since that time.

C. The Ogonek exposé in 1957 ~~REDSOK~~ centered around KUBARK/TIEBAR REDSOK assets in Estonia, ~~REDSOK~~ ~~KUBARK~~. It is speculative whether the SIS purposely made misstatements in the articles, or whether it did not actually have all facts on hand.

D. The cross fertilization of Baltic operations both in Sweden, and in the Baltic areas, plus the overlapping interests and relations among several KUBARK stations as well as SMOTH, makes it impossible to reach any valid conclusion based solely on analysis of file information, of what, if any, inside assets remain clean. Therefore, future KUBARK direction of TILSBURY-1 and AEGOB-7 must be based on the assumption that they are RIS controlled. Since the Ogonek articles, and the SMOTH debriefing of Boris Nekly, TIEBAR-8 has considered all his former inside agents as compromised.

E. The course of action to be taken is one that should be decided by WE Division. It appears, that there are three courses of action which might be followed: Complete frankness with the TIEBARS; Fact mixed with fiction; Disinterest and denial.

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F. SR Division is willing to handle AECOB-7, TILBURY-1, and the mother in any way to fit the manner in which WE Division wishes to handle that situation vis-a-vis the TIEBARS. We can go so far as to plant certain views with the RIS in order to back up anything we want to tell the TIEBARS.

G. One original purpose of this study was to provide a basis on which to decide what if any action [] should take with TIEBAR-8 to minimize any flap, should the RIS surface AECOB-7, TILBURY-1 and/or expose TILBURY-2 as a KUBARK principal agent. Preventive action with Ty-8 has been ruled out for these reasons:

- 1) WE-1 is unwilling to tell TIEBAR-8 the full truth.
- 2) Any attempts to build a "legend", based on a mixture of fact and fantasy, would fail since there is no way to anticipate the form the RIS exposé would take.
- 3) It is only supposition on our part that the RIS will, in fact, surface TILBURY-1 and AECOB-7, since KUBARK is still in contact with them, and we cannot predict the factors contributing to a Soviet decision.

H. The decision was reached in Headquarters before [] left to visit [] that "complete denial" was the best course of action to follow should TIEBAR-8 bring up KUBARK contact with TILBURY-1, TILBURY-2, or AECOB-7. Such action has apparently been successful in the TIBABEL-5 case, and it was felt that KUBARK/TIEBAR relations would survive an additional exposé.

The problem of directing AECOB-7 and TILBURY-1 continues. As of present writing KUBARK is waiting for an answer from TILBURY-1 about his exfiltration during summer 1958. AECOB-7 has not been heard from since before Aldona repatriated.

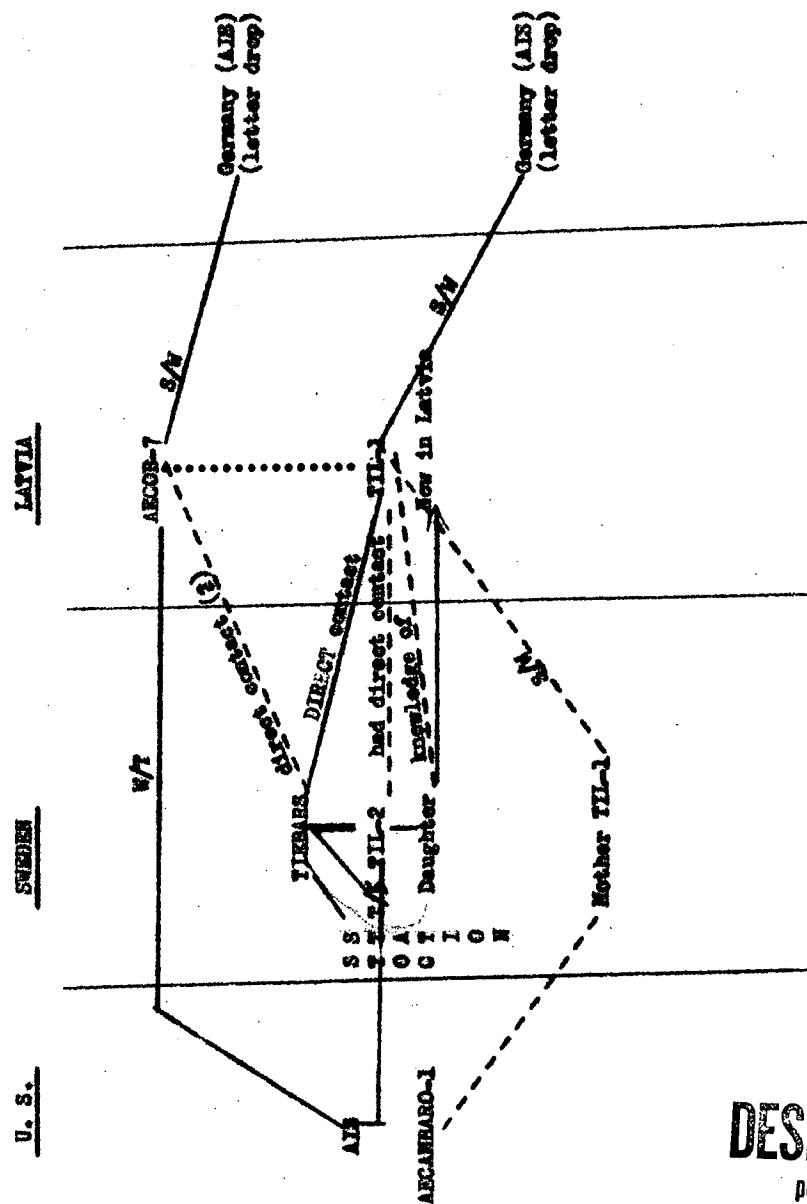
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